

211—Tax and Revenue Anticipation Notes (TRANs)

The following example of the accounting procedure for Tax and Revenue Anticipation Notes (TRANs) follows that found in Procedure No. 603 of Part I of the *California School Accounting Manual*.

Example 1: Issuance of TRANs by a Single LEA

- (a) The LEA receives the proceeds of a TRANs issuance with the associated administrative expenditure and liability. In this case, the administrative costs (\$8,500) are deducted from the notes' proceeds at the time of issuance.

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>Amount</u>
Dr	01	0000	0	0000	0000	9110	\$991,500
Dr	01	0000	0	0000	9100	5800	\$8,500
Cr	01	0000	0	0000	0000	9640	\$1,000,000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not necessary for balance sheet accounts; Function 9100 is Other Outgo, Debt Services.
- Object 9110 is Cash in County Treasury; Object 5800 is Professional /Consulting Services and Operating Expenditures; and Object 9640 is Current Loans.

- (b) In this example, a 50-percent repayment is due on December 31.

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>Amount</u>
Dr	01	0000	0	0000	0000	9640	\$500,000
Cr	01	0000	0	0000	0000	9110	\$500,000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 0000 is not necessary for balance sheet accounts.
- Object 9640 is Current Loans, and Object 9110 is Cash in County Treasury.

- (c) Four months later, the balance of the principal plus interest on the entire issue is repaid.

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>Amount</u>
Dr	01	0000	0	0000	0000	9640	\$500,000
Dr	01	0000	0	0000	9100	5800	\$50,000
Cr	01	0000	0	0000	0000	9110	\$550,000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 0000 is not necessary for balance sheet accounts; Function 9100 is Other Outgo, Debt Services.
- Object 9640 is Current Loans, and Object 9110 is Cash in County Treasury.

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